

# Instructions for Form 540 2EZ

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## Things you need to know before you complete Form 540 2EZ

Determine if you qualify to use Form 540 2EZ. See the table on page 4.

### Specific Line Instructions

These instructions are based on the Internal Revenue Code (IRC) as of January 1, 2005, and the California Revenue and Taxation Code (R&TC).

**Entity Section** – Use the label on the cover of this booklet to speed processing and prevent common errors that can delay refunds. Make corrections to the label by crossing out any errors and printing the correct or missing information in black or blue ink. If there is no label attached, print your name, middle initial, last name, and address in the spaces provided.

#### Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)

Enter your SSN or ITIN in the spaces provided. If you file a joint return, enter the SSN or ITIN in the same order as the names.

An ITIN is a tax processing number issued by the IRS to foreign nationals and others who have a federal tax filing requirement and do not qualify for an SSN. The ITIN is a nine-digit number that always starts with the number 9.

### Line 1 through Line 5 – Filing Status

Fill in the circle on Form 540 2EZ for the filing status that applies to you.

If your California filing status is different from your federal filing status, fill in the circle under line 5.

#### Filing Status Checklist

Choose only one filing status. Your filing status for California must be the same as the filing status you used on your federal income tax return, unless you are an RDP. If you are an RDP and file single for federal, you must file married/RDP filing jointly or married/RDP filing separately for California. If you are an RDP and file head of household for federal, you may file head of household for California only if you meet the requirements to be considered not in a domestic partnership.

**Exception:** Married taxpayers who file a joint federal income tax return may file separate California returns if either spouse was:

- An active member of the U.S. Armed Forces (or any auxiliary military branch) during 2007.
- A nonresident for the entire year and had no income from California sources during 2007.

#### You cannot use Form 540 2EZ if:

- You file a joint return and either spouse/RDP was a nonresident in 2007. Use Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. These forms are available online through CalFile and e-file, or on our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov).
- You are married/RDP and file a separate return. Use Form 540A or Form 540; these forms are available online through CalFile and e-file.
- You have income from a source outside of California.
- You have income from a source not listed on this form.

#### Single

You are single if any of the following was true on December 31, 2007:

- You were never married or in a registered domestic partnership.
- You received a final decree of divorce or legal separation, or your registered domestic partnership was terminated.
- You were widowed before January 1, 2007, and did not remarry or enter into another registered domestic partnership in 2007 (see Qualifying Widow(er)).

#### Married/RDP Filing Jointly

You may file married/RDP filing jointly if any of the following is true:

- You were married/RDP as of December 31, 2007, even if you did not live with your spouse/RDP at the end of 2007.
- Your spouse/RDP died in 2007 and you did not remarry or enter into another registered domestic partnership in 2007.
- Your spouse/RDP died in 2008 before the 2007 return was filed.

A husband and wife or registered domestic partners may file a joint return even if only one had income or if they did not live together all year. However, both must sign the return.

#### Head of Household

Head of household filing status is for unmarried individuals and certain married individuals or RDPs living apart who provide a home for a specified relative. You are entitled to use head of household filing status only if ALL of the following apply:

- You were unmarried and not in a registered domestic partnership, or you met the requirements to be considered unmarried or considered not in a registered domestic partnership on December 31, 2007.
- You paid more than one-half the cost of keeping up your home for the year in 2007.
- For more than half the year, your home was the main home for you and one of the specified relatives who by law can qualify you for head of household filing status.
- You were not a nonresident alien at any time during the year.

For more information, get FTB Pub. 1540, California Head of Household Filing Status Information. Go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and take the self-test.

#### Qualifying Widow(er)

You are a qualifying widow(er) if ALL of the following apply:

- Your spouse/RDP died in 2005 or 2006, and you did not remarry or enter into another registered domestic partnership in 2007.
- You have a birth child, adopted child, stepchild, or eligible foster child for whom you can claim a dependent exemption credit.
- This child lived in your home for all of 2007. Temporary absences, such as for school, vacation, or medical care, count as time lived in the home.
- You paid over half the cost of keeping up your home for this child.
- You could have filed a joint return with your spouse/RDP the year he or she died, even if you actually did not do so.

Enter the year of your spouse's/RDP's death on your return.

### Line 6 – Can you be claimed as a dependent?

If someone else can claim you (or your spouse/RDP) as a dependent on his or her tax return, even if he or she chooses not to, then answer the following questions:

1. Are your total wages, interest, dividend, pension, and capital gains from mutual funds income less than or equal to:

Single	\$11,666
Married/RDP filing jointly or Qualifying widow(er)	\$23,282
Head of Household	\$16,482

2. Do you have a dependent?

If the answer to question 1 or question 2 is **Yes, Stop**. You cannot use Form 540 2EZ because you will not be able to figure the correct amount of tax using the California 2EZ Tables. Get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov). These forms are also available online through CalFile and e-file.

If the answer to question 1 and question 2 is **No**, fill in the circle on line 6 and follow the instructions on line 17.

### Line 7 – Seniors

If you (or if married/RDP, your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2 on line 7.

If your 65th birthday is January 1, 2008, you are considered to be age 65 on December 31, 2007.

### Line 8 – Dependents

Enter the names and relationships of the dependents you are allowed to claim. If you claim more than 3 dependents, get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov). These forms are also available online through CalFile and e-file.

**Do you have Child and Dependent Care Expenses?** The easiest way to claim the credit is to CalFile or e-file. **This credit may not be claimed on Form 540 2EZ.**

### Line 9 – Wages

Enter the amount from federal Form W-2, box 16 or CA Sch W-2, line 6. If you have more than one W-2, add all amounts shown in box 16.

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Generally, federal Form W-2 box 1 and box 16 should contain the same amounts. If they are different because you had income from a source outside California, you cannot file Form 540 2EZ. Get Form 540A, Form 540, or Long or Short Form 540NR, at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov). These forms are also available online through CalFile and e-file.

Use Form 540 2EZ if your federal Form W-2, box 1 and box 16 are different because you received ride-sharing benefits or sick pay under the Federal Insurance Contributions Act and Railroad Retirement Act.

If this applies to you, enter the amount from federal Form W-2, box 16.

## Line 10 – Total Interest Income

Enter interest income shown on Form 1099-INT, box 1.



Do not include amounts shown on Form 1099-INT, box 3, Interest on U.S. Savings Bonds and Treasury Obligations. This interest is not taxed by California.

## Line 11 – Total Dividend Income

Generally, the amount of dividend income taxable by California is the same as the amount taxable under federal law. However, there may be federal/state differences in the taxable amount of dividend income, if you received it from any of the following sources:

- Exempt interest dividends from mutual funds.
- Non-cash patronage dividends from farmers' cooperatives or mutual associations.
- Federal exempt interest dividends from other states or their municipal obligations and/or from mutual funds.
- Controlled foreign corporation dividends in the year distributed.
- Regulated investment company (RIC) capital gains in the year distributed.
- Distributions of pre-1987 earnings from an S corporation.

If you have a federal/state difference in the taxable amount of dividend income, you cannot file a Form 540 2EZ. Get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov). These forms are also available online through CalFile and e-file.

## Line 12 – Total Pensions

Generally, the amount of pension income taxable by California is the same as the amount taxable under federal law. However, there may be federal/state differences in the taxable amount of pension income, if you received it from any of the following sources:

- Tier 2 railroad retirement benefits.
- Partially taxable distributions from a pension plan.
- Retirement annuity between July 1, 1986 – January 1, 1987, and elected to use the three-year rule for California purposes and annuity rules for federal purposes.

For updates regarding the federal Pension Protection Act of 2006, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and search for **conformity**. If you have a federal/state difference in the taxable amount of pension income, you cannot file a Form 540 2EZ. Get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov). These forms are also available online through CalFile and e-file.

## Line 13 – Capital Gain Distributions from Mutual Funds

Generally, the amount of capital gain taxable by California is the same as the amount taxable under federal law. If you received capital gain distributions from a mutual fund, report them on line 13, if both of the following apply:

- You received a Form 1099-DIV with an amount in box 2a.
- The 1099-DIV does not have amounts in box 2b, 2c, or 2d.

If you have other capital gains, you cannot use Form 540 2EZ; use Form 540. Get form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov). This form is also available online through CalFile and e-file.

## Line 14 – Unemployment Compensation

Enter unemployment compensation and/or Paid Family Leave Insurance benefits reported on federal Form(s) 1099-G. These types of income are not taxed by California and should not be included in the total on line 16.

## Line 15 – U.S. Social Security or Railroad Retirement Benefits

Enter U.S. social security or Tier 1 and Tier 2 railroad retirement benefits. This type of income is not taxed by California and should not be included in the total on line 16.

## Line 17 – Tax

The standard deduction and personal exemption credit are built into the 2EZ Tables and not reported on the tax return.

If you filled in the circle on line 6, complete the Dependent Tax Worksheet below.

### Dependent Tax Worksheet

1. Is the amount on line 16 less than or equal to:
  - \$11,666 if single
  - \$23,282 if married/RDP filing jointly or qualifying widow(er)
  - \$16,482 if head of household, or
2. Do you have a dependent?

If the answer to question 1 or question 2 is:

**Yes Stop.** You cannot use Form 540 2EZ because you will not be able to figure the correct amount of tax using the 2EZ Tables. Get Form 540A or Form 540 at our Website [www.ftb.ca.gov](http://www.ftb.ca.gov). These forms are also available online through CalFile and e-file.

**No** If you can be claimed as a dependent by another taxpayer, your personal exemption credit amount is zero. You will need to adjust the tax from the 2EZ Table for this amount as follows:

1. Using the amount from Form 540 2EZ, line 16, and your filing status, enter the tax from the 2EZ Table:

If your filing status is:

- Single, go to page 15.
- Married/RDP filing jointly or Qualifying widow(er), go to page 21
- Head of household, go to page 42.

2. If single or head of household, enter \$94
- If married/RDP and both spouses/RDPs can be claimed as a dependent by another taxpayer, enter \$188
- If married/RDP and only one spouse/RDP can be claimed, enter \$94
- If qualifying widow(er), enter \$188

3. Add line 1 and line 2. Enter here and on Form 540 2EZ, line 17. .... 3

If you did not fill in the circle on line 6 follow the instructions below.

Use the California 2EZ Table for your filing status to complete line 17. The 2EZ Tables in this booklet give you credit for the standard deduction for your filing status, your personal exemption credit, and dependent exemption credits. There are three different tables. Make sure you use the right one. If your filing status is:

Single	Go to page 15
Married/RDP filing jointly or Qualifying widow(er)	Go to page 21
Head of Household	Go to page 42

## Line 18 – Senior Exemption

If you entered 1 in the box on line 7, enter \$94. If you entered 2 in the box on line 7, enter \$188.

You cannot claim this exemption credit if someone else can claim you as a dependent on their return.

## Line 19 – Nonrefundable Renter's Credit

If you were a resident of California and paid rent on property in California which was your principal residence, you may qualify for a credit that you can use to reduce your tax. Answer the questions on page 12 to see if you qualify.

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## Line 22 – Tax Withheld

Enter the amount from federal Form(s) W-2, box 17, CA Sch W-2, box 17, or 1099-R, box 10. If you have more than one Form W-2, add all amounts shown in box 17. If you have multiple entries on CA Sch W-2, add all amounts shown in box 17. If you have more than one 1099-R, add all amounts shown in box 10. The Franchise Tax Board verifies all withholding claimed from federal Forms W-2, CA Sch W-2, or 1099-R with the Employment Development Department.

## Line 24 – Tax Due

If the amount on line 22 is less than the amount on line 21, subtract the amount on line 22 from the amount on line 21. Enter the result on line 24. Your tax is more than your credits.

Increasing your withholding could eliminate the need to make a large payment with your tax return. To increase your withholding, complete **Employment Development Department (EDD)** Form DE 4, Employee's Withholding Allowance Certificate, and give it to your employer's appropriate payroll staff. You can get this form from your employer or by calling EDD at (888) 745-3886. You can download the DE 4 at [www.edd.ca.gov](http://www.edd.ca.gov) or go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and search for DE 4.

## Line 25 – Use Tax - This is not a total line

You may report use tax on your income tax return instead of filing a use tax return with the State Board of Equalization. To report use tax on your income tax return, complete the Use Tax Worksheet on this page. For questions on whether a purchase is taxable, go to the State Board of Equalization's Website at [www.boe.ca.gov](http://www.boe.ca.gov), or call their Information Center at (800) 400-7115 or TTY/TDD (800) 735-2929.

If you owe use tax but you do not report it on your income tax return, you must report and pay the tax to the State Board of Equalization. To do so, download a copy of Publication 79-B, California Use Tax, from [www.boe.ca.gov](http://www.boe.ca.gov) or request a copy by calling the State Board of Equalization's Information Center, see phone number above.

### Use Tax Penalty

Failure to timely report and pay the use tax due may result in the assessment of penalties.

**Note:** Businesses that have a California seller's permit must continue to report business purchases subject to use tax on their sales and use tax returns.

### Use Tax Worksheet

Round all amounts to the nearest whole dollar.

1. Enter purchases from out-of-state or Internet sellers made without payment of California sales/use tax. See worksheet instructions below. . . . . \$ .00
2. Enter the decimal equivalent of the applicable sales and use tax rate. See worksheet instructions below. . . . .
3. Multiply line 1 by the tax rate on line 2. Enter result here . . . . . \$ .00
4. Enter any sales or use tax paid to another state for purchases included on line 1. See worksheet instructions below. . . . . \$ .00
5. Total Use Tax Due. Subtract line 4 from line 3. Enter the amount here and on line 25. If the amount is less than zero, enter -0- . . . . . \$ .00

### Worksheet, Line 1, Purchases Subject to Use Tax

- Report items that would have been taxable in a California store. For example, you would include purchases of clothing, but not purchases of prescription medicine.
- Include handling charges.
- Do not include any other state's sales or use tax paid on the purchases.
- Enter only purchases made during the year that corresponds with the tax return you are filing.
- If you traveled to a foreign country and brought items back to California, generally the use tax is due on the purchase price of the goods you listed on your U.S. Customs Declaration, less the \$400 per-person exemption. This \$400 exemption does not apply to goods sent or shipped to California by mail or other common carrier.

- If your filing status is "married/RDP filing separately," you may elect to report one-half of the use tax due or the entire amount on your income tax return. If you elect to report one-half, your spouse/RDP must report the remaining half on his or her income tax return or on the individual use tax return available from the State Board of Equalization.

**Note:** Report and pay any use tax you owe on the following purchases to the State Board of Equalization, not on your income tax return:

- Vehicles, vessels, and trailers that must be registered with the California Department of Motor Vehicles.
- Mobile homes or commercial coaches that must be registered annually as required by the Health and Safety Code.
- Vessels documented with the U.S. Coast Guard.
- Aircraft.
- Leases of machinery, equipment, vehicles, and other tangible personal property.

### Worksheet, Line 2, Sales and Use Tax Rate

- Enter the decimal equivalent of the sales and use tax rate applicable to the place in California where the property is used, stored, or otherwise consumed. For example, the decimal equivalent of 7.25% is 0.0725, and the decimal equivalent of 7.375% is 0.07375.
- If you do not know the applicable rate, see the table below and on page 9, "Sales and Use Tax Rates by County." If you have questions regarding the use tax rate in effect in your area, go to the State Board of Equalization's Website at [www.boe.ca.gov](http://www.boe.ca.gov) or call their Information Center at (800) 400-7115 or TTY/TDD (800) 735-2929.

### Worksheet, Line 4, Credit for Tax Paid to Another State

- This is a credit for tax paid to other states. You cannot claim a credit greater than the amount of tax that would have been due if the purchase had been made in California. For example, if you paid \$8.00 sales tax to another state for a purchase, and would have paid \$6.00 in California, you can claim a credit of only \$6.00 for that purchase.

### Sales and Use Tax Rates by County

(includes state, local, and district taxes)  
As of December 31, 2007

County	Rate	County	Rate
Alameda	8.75%	Orange <sup>1</sup>	7.75%
Alpine	7.25%	Placer	7.25%
Amador	7.25%	Plumas	7.25%
Butte	7.25%	Riverside	7.75%
Calaveras	7.25%	Sacramento	7.75%
Colusa <sup>1</sup>	7.25%	San Benito <sup>1</sup>	7.25%
Contra Costa <sup>1</sup>	8.25%	San Bernardino <sup>1</sup>	7.75%
Del Norte	7.25%	San Diego <sup>1</sup>	7.75%
El Dorado <sup>1</sup>	7.25%	San Francisco	8.50%
Fresno <sup>1</sup>	7.975%	San Joaquin <sup>1</sup>	7.75%
Glenn	7.25%	San Luis Obispo <sup>1</sup>	7.25%
Humboldt <sup>1</sup>	7.25%	San Mateo	8.25%
Imperial	7.75%	Santa Barbara	7.75%
Inyo	7.75%	Santa Clara	8.25%
Kern	7.25%	Santa Cruz <sup>1</sup>	8.00%
Kings	7.25%	Shasta	7.25%
Lake <sup>1</sup>	7.25%	Sierra	7.25%
Lassen	7.25%	Siskiyou	7.25%
Los Angeles <sup>1</sup>	8.25%	Solano	7.375%
Madera <sup>2</sup>	7.75%	Sonoma <sup>1</sup>	7.75%
Marin <sup>1</sup>	7.75%	Stanislaus	7.375%
Mariposa	7.75%	Sutter	7.25%
Mendocino <sup>1</sup>	7.25%	Tehama	7.25%
Merced <sup>1</sup>	7.25%	Trinity	7.25%
Modoc	7.25%	Tulare <sup>1,3</sup>	7.75%
Mono	7.25%	Tuolumne <sup>1</sup>	7.25%
Monterey <sup>1</sup>	7.25%	Ventura	7.25%
Napa	7.75%	Yolo <sup>1</sup>	7.25%
Nevada <sup>1</sup>	7.375%	Yuba	7.25%

See page 9 for an explanation of the footnotes in this chart.



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- Many cities in California impose a district tax which results in a higher sales and use tax rate than in other parts of the county. If you are reporting an item that was purchased for use in one of these counties, please check the following city list to see if a higher rate applies to your city. The tax rates shown apply within the city limits of the listed community.
- The tax rate in Madera County prior to April 1, 2007 was 7.25%.
- The tax rate in Tulare County prior to April 1, 2007 was 7.25%.

County	City	Citywide Rate
Colusa	Williams (effective 4/1/07) <sup>1</sup>	7.75%
Contra Costa	Pinole (effective 4/1/07) <sup>2</sup>	8.75%
Contra Costa	Richmond	8.75%
El Dorado	Placerville	7.50%
El Dorado	South Lake Tahoe	7.75%
Fresno	Clovis	8.275%
Humboldt	Trinidad	8.25%
Lake	Clearlake	7.75%
Lake	Lakeport	7.75%
Los Angeles	Avalon	8.75%
Los Angeles	Inglewood (effective 4/1/07) <sup>3</sup>	8.75%
Marin	San Rafael	8.25%
Mendocino	Fort Bragg	7.75%
Mendocino	Point Arena	7.75%
Mendocino	Ukiah	7.75%
Mendocino	Willits	7.75%
Merced	Los Banos	7.75%
Merced	Merced	7.75%
Monterey	Del Rey Oaks (effective 4/1/07) <sup>4</sup>	8.25%
Monterey	Salinas	7.75%
Monterey	Sand City	7.75%
Nevada	Nevada City (effective 4/1/07) <sup>5</sup>	7.875%
Nevada	Truckee	7.875%
Orange	Laguna Beach	8.25%
San Benito	San Juan Bautista	8.00%
San Bernardino	Montclair	8.00%
San Bernardino	San Bernardino (effective 4/1/07) <sup>6</sup>	8.00%
San Diego	El Cajon	8.25%
San Diego	National City	8.75%
San Diego	Vista (effective 4/1/07) <sup>7</sup>	8.25%
San Joaquin	Manteca (effective 4/1/07) <sup>8</sup>	8.25%
San Joaquin	Stockton	8.00%
San Luis Obispo	Arroyo Grande (effective 4/1/07) <sup>9</sup>	7.75%
San Luis Obispo	Grover Beach (effective 4/1/07) <sup>10</sup>	7.75%
San Luis Obispo	Morro Bay (effective 4/1/07) <sup>11</sup>	7.75%
San Luis Obispo	San Luis Obispo (effective 4/1/07) <sup>12</sup>	7.75%
Santa Cruz	Capitola	8.25%
Santa Cruz	Santa Cruz (effective 4/1/07) <sup>13</sup>	8.50%
Santa Cruz	Scotts Valley	8.50%
Santa Cruz	Watsonville (effective 4/1/07) <sup>14</sup>	8.25%
Sonoma	Sebastopol	8.00%
Sonoma	Santa Rosa	8.00%
Tulare	Dinuba (effective 04/01/07) <sup>15</sup>	8.50%
Tulare	Farmersville (effective 04/01/07) <sup>16</sup>	8.25%
Tulare	Porterville (effective 04/01/07) <sup>17</sup>	8.25%
Tulare	Tulare (effective 04/01/07) <sup>18</sup>	8.25%
Tulare	Visalia (effective 04/01/07) <sup>19</sup>	8.00%
Tuolumne	Sonora	7.75%
Yolo	Davis	7.75%
Yolo	West Sacramento	7.75%
Yolo	Woodland	7.75%

- The tax rate in Williams prior to April 1, 2007, was 7.25%.
- The tax rate in Pinole prior to April 1, 2007 was 8.25%.
- The tax rate in Inglewood prior to April 1, 2007 was 8.25%.
- The tax rate in Del Rey Oaks prior to April 1, 2007 was 7.25%.
- The tax rate in Nevada City prior to April 1, 2007 was 7.375%.
- The tax rate in San Bernardino prior to April 1, 2007 was 7.75%.
- The tax rate in Vista prior to April 1, 2007 was 7.75%.
- The tax rate in Manteca prior to April 1, 2007 was 7.75%.
- The tax rate in Arroyo Grande prior to April 1, 2007 was 7.25%.

- The tax rate in Grover Beach prior to April 1, 2007 was 7.25%.
- The tax rate in Morro Bay prior to April 1, 2007 was 7.25%.
- The tax rate in San Luis Obispo prior to April 1, 2007 was 7.25%.
- The tax rate in Santa Cruz prior to April 1, 2007 was 8.25%.
- The tax rate in Watsonville prior to April 1, 2007 was 8.00%.
- The tax rate in Dinuba prior to April 1, 2007 was 8.00%.
- The tax rate in Farmersville prior to April 1, 2007 was 7.75%.
- The tax rate in Porterville prior to April 1, 2007 was 7.75%.
- The tax rate in Tulare prior to April 1, 2007 was 7.75%.
- The tax rate in Visalia prior to April 1, 2007 was 7.50%.

## Line 26 – Voluntary Contributions

You may contribute part or all of your refund to the funds listed on Form 540 2EZ, Side 2. See page 11 for descriptions of the funds.

## Line 27 – Amount You Owe

Add line 24, line 25, and line 26 and enter the total on line 27. This is the amount you owe. If line 23 is less than the sum of line 25 and line 26, enter the difference on line 27.

## Paying Your Taxes

You must pay 100% of the amount you owe by April 15, 2008, to avoid interest and underpayment penalties. However, the underpayment penalty will be waived where 90% of the tax shown on the return is paid by the original due date of the return. There are several ways to pay your tax:

- Electronic funds withdrawal (e-file only)
- Pay online/Web Pay
- Check or money order
- Credit card
- Monthly installments

## Electronic Funds Withdrawal

If you CalFile or e-file, instead of paying by check, you can use this convenient option. Simply provide your bank information, the amount you want to pay, and the date you want the amount to be withdrawn from your account. You can find the routing and account numbers on your check or bank statement, or by contacting your financial institution. Use the check illustration on the next page to find your bank information. Your tax preparation software will offer this option.

## Web Pay

Enjoy the convenience of online bill payment with Franchise Tax Board. This secure service lets you pay the current amount you owe, extension payments, estimated tax payments, and prior year balances. Go to our [Website](http://www.ftb.ca.gov) [www.ftb.ca.gov](http://www.ftb.ca.gov) and search for **Web Pay**. Log on using your social security number or individual taxpayer identification number and your current customer service number (CSN).

## Check or Money Order (no cash please)

Make your check or money order payable to the "Franchise Tax Board." **Do not send cash.** Write your social security number or individual taxpayer identification number and "2007 Form 540 2EZ" on the check or money order.

**all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.**

**Form 540 2EZ:** Enclose but do **not** staple your check or money order to the return.

**e-file:** The software will print a payment voucher (form FTB 3582) for you. Mail your check or money order and the voucher to the address shown on the voucher. **Do not** mail a copy of your tax return, your federal Form(s) W-2, or CA Sch W-2.

## Credit Card



Use your Discover/NOVUS, MasterCard, American Express, or Visa card to pay your personal income taxes (including tax return balance due, extension payments, estimated tax payments, and prior year balances). The Franchise Tax Board has partnered with Official Payments Corp. to offer you this service. Official Payments Corp. charges a convenience fee based on the amount of your payment.

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Go to the Official Payments Corp. online payment center at [www.officialpayments.com](http://www.officialpayments.com) or call their toll-free number (800) 2PAY-TAX or (800) 272-9829 and follow the recorded instructions. Official Payments Corp. provides customer assistance Monday through Friday, 9 a.m. to 5 p.m. PST.

Payment Date : \_\_\_\_\_

Confirmation Number: \_\_\_\_\_

**A penalty may be imposed if your payment is returned by your bank for insufficient funds.**

## Request Monthly Installments

Pay as much as you can when you file your return. If you cannot pay your taxes in full, you can request approval to make monthly payments. However, you will be charged interest and penalties. You will need to complete form FTB 3567, Installment Agreement Request.

To submit your request electronically, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and search for **Installment Agreement**. To submit your request by mail, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) to download and print form FTB 3567 or call (800) 338-0505 to order the form by phone. Select Personal Income Tax, then select Forms and Publications, and enter code **949** when instructed. Mail the completed form to the Franchise Tax Board at the address shown on the form.

## Line 28 – Refund or No Amount Due

Complete the following worksheet:

- A. Amount on line 25 . . . . .
- B. Amount on line 26 . . . . .
- C. Add line A and line B . . . . .
- D. Amount on line 23 . . . . .
- E. Subtract line C from line D. . . . .

The amount on line E will be refunded to you. Transfer this amount to Form 540 2EZ, line 28. If the refund is less than \$1.00, attach a written request to your Form 540 2EZ to receive the refund.

**If the amount on line C is greater than the amount on line D, the amount on line E is the amount you owe. Transfer this amount to Form 540 2EZ, line 27.**

## Direct Deposit

Direct deposit is fast, safe, and convenient. To have your refund directly deposited into your bank account, fill in the account information on Form 540 2EZ, Side 2, line 29 and line 30. Fill in the routing and account numbers and indicate the account type. Verify routing and account numbers with your financial institution. **Do not** attach a voided check or deposit slip. See the illustration on this page.

Individual taxpayers may request that his or her refund be electronically deposited into more than one checking or savings account. This allows more options for managing your refund. For example, you can request part of your refund go to your checking account to use now and the rest to your savings account to save for later.

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. On the sample check, the routing number is 250250025. The account number can be up to 17 characters and can include numbers and letters. Include hyphens, but omit spaces and special symbols. On the sample check, the account number is 202020.

Check the appropriate box for the type of account. Do not check more than one box for each line.

Enter the portion of your refund you want directly deposited into each account. The total of line 29 and line 30 must equal the total amount of your refund. If line 29 and line 30 do not equal line 28, the Franchise Tax Board will issue a paper check.

**Caution:** Check with your financial institution to make sure your deposit will be accepted and to get the correct routing and account numbers. The FTB is not responsible for a lost refund due to incorrect account information entered by you or your representative.

John Doe  
Mary Doe  
1234 Main Street  
1234

PAY TO THE  
ANYTOWN BANK  
For

Routing Number: 250250025  
Account Number: 202020

Do not include the check number

\$ 1234  
DOLLARS

Some financial institutions will not allow a joint refund to be deposited to an individual account. If the direct deposit is rejected, the Franchise Tax Board will issue a paper check.

## Sign Your Tax Return

Sign your tax return on Side 2. If you file a joint tax return, your spouse/RDP must also sign it.

If you file a joint return, both you and your spouse/RDP are generally responsible for tax and any interest or penalties due on the return. If one spouse/RDP does not pay the tax, the other spouse/RDP may have to. See Innocent Joint Filer Relief on page 13.

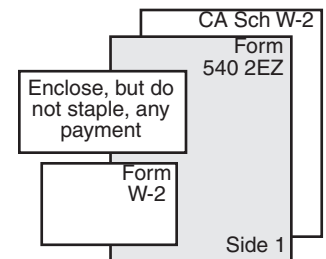
If you pay a person to prepare your tax return, that person must sign on Side 2 and include either their social security number, PTIN, or FEIN. A paid preparer must give you two copies of your tax return: one to file with the Franchise Tax Board and one to keep for your records.

## Assembling Your Tax Return

Assemble your tax return and mail it to the Franchise Tax Board.

To help with our processing costs, please enclose, but **do not staple**, your payment, federal Form(s) W-2, or CA Sch W-2 to your return.

**Do not** enclose a copy of your federal tax return or any other document with your Form 540 2EZ. This will help us reduce government processing and storage costs.



## Mailing Your Return

Mail your return using the envelope provided in this booklet. If your return shows a refund or no amount due, be sure to attach the green label to the front of the envelope. The address is:

**FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0002**

If your return has an amount due, be sure to attach the white label to the front of the envelope. The address is:

**FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001**

# Voluntary Contribution Fund Descriptions

Make voluntary contributions of \$1 or more in whole dollar amounts to the funds listed below. To contribute to the California Seniors Special Fund use the instructions for code 50 below. The amount you may contribute either reduces your overpaid tax or increases your tax due. You may contribute only to the funds listed and cannot change the amount you contribute after you file your return. Go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov) and search for **Voluntary Contributions**.

Fund Name	Code	Description
California Seniors Special Fund	50	If you and/or your spouse/RDP are 65 years of age or older as of December 31, 2007, and claim the Senior Exemption Credit on line 7, you may make a combined total contribution of up to \$188 or \$94 per spouse/RDP. Contributions entered to this fund will be distributed to the Area Agency of Aging Councils (TACC) to provide advice on and sponsorship of Senior Citizens issues. Any excess contributions not required by TACC will be distributed to senior citizen service organizations throughout California for meals, adult day care, and transportation.
Alzheimer's Disease/Related Disorders Fund	51	Contributions will provide grants to California scientists who study Alzheimer's disease and related disorders. This research includes basic science, diagnosis, treatment, prevention, behavioral problems, and care giving. With one-half million Californians living with the disease and another 2 million providing care to a loved one with Alzheimer's, our state is in the early stages of a major public health crisis. Your contribution will ensure that Alzheimer's disease receives the attention, research, and resources it deserves.
California Fund for Senior Citizens	52	Contributions will provide support for the California Senior Legislature (CSL). The CSL are volunteers who prioritize statewide senior related legislative proposals in areas of health, housing, transportation, and community services. Any excess contributions not required by the CSL will be distributed to senior citizen service organizations throughout California.
Rare and Endangered Species Preservation Program	53	Contributions will be used to help protect and conserve California's many threatened and endangered species and the wild lands that they need to survive, for the enjoyment and benefit of you and future generations of Californians.
State Children's Trust Fund for the Prevention of Child Abuse	54	Contributions will be used to fund programs for the prevention, intervention, and treatment of child abuse and neglect.
California Breast Cancer Research Fund	55	Contributions will fund research toward preventing and curing breast cancer. Breast cancer is the most common cancer to strike women in California. It kills 4,000 California women each year. Contributions also fund research on prevention and better treatment, and keep doctors up-to-date on research progress. For more about the research your contributions support, please see our Website at <a href="http://www.cbcrp.org">www.cbcrp.org</a> . Your contribution can help make breast cancer a disease of the past.
California Firefighters' Memorial Fund	56	Contributions will be used for the repair and maintenance of the California Firefighters' Memorial on the grounds of the State Capitol, ceremonies to honor the memory of fallen firefighters and to assist surviving loved ones, and for an informational guide detailing survivor benefits to assist the spouses/RDPs and children of fallen firefighters.
Emergency Food Assistance Program Fund	57	Contributions will be used to help local food banks feed California's hungry. Your contribution will fund the purchase of much-needed food for delivery to food banks, pantries, and soup kitchens throughout the state. The State Department of Social Services will monitor its distribution to ensure the food is given to those most in need.
California Peace Officer Memorial Foundation Fund	58	Contributions will be used to preserve the memory of California's fallen peace officers and assist the families they left behind. Since statehood, over 1,300 courageous California peace officers have made the ultimate sacrifice while protecting law-abiding citizens. The non-profit charitable organization, California Peace Officers' Memorial Foundation, has accepted the privilege and responsibility of maintaining a memorial for fallen officers on the State Capitol grounds. Each May, the Memorial Foundation conducts a dignified ceremony honoring fallen officers and their surviving families by offering moral support, crisis counseling, and financial support that includes academic scholarships for the children of those officers who have made the supreme sacrifice. On behalf of all of us and the law-abiding citizens of California, thank you for your participation.
California Military Family Relief Fund	59	Contributions will be used to provide financial aid grants to members of the California National Guard who are California residents, and have been called to active duty.
California Sea Otter Fund	60	The California Coastal Conservancy and the Department of Fish and Game will each be allocated 50% of the contributions. The California Coastal Conservancy will use the contributions for research and programs related to the near-shore ecosystem, including sea otters. The Department of Fish and Game will use the contributions to establish a sea otter fund within the department's index coding system for increased investigation, prevention, and enforcement action.

# Nonrefundable Renter's Credit Qualification Record



e-file and skip this page! The software you use to e-file will help you find out if you qualify for this credit and will figure the correct amount of the credit automatically. Go to [www.ftb.ca.gov](http://www.ftb.ca.gov).

If you were a resident of California and paid rent on property in California, which was your principal residence, you may qualify for a credit that you can use to reduce your tax. Answer the questions below to see if you qualify. **Do Not Mail This Record. Keep With Your Tax Records.**

**1. Were you a resident of California for the entire year in 2007?**

Military personnel. If you are not a legal resident of California, you do not qualify for this credit. However, your spouse/RDP may claim this credit if he or she was a resident, did not live in military housing during 2007, and is otherwise qualified.

**YES.** Go to question 2.

**NO.** Stop. File the Long or Short Form 540NR, California Nonresident or Part-Year Resident Income Tax Return. See "Automated Phone Service" on page 14.

**2. Is your California adjusted gross income the amount on Form 540 2EZ, line 16:**

- \$33,272 or less if single or married/RDP filing separately; or
- \$66,544 or less if married/RDP filing jointly, head of household, or qualifying widow(er)?

**YES.** Go to question 3.

**NO.** Stop here. You do not qualify for this credit.

**3. Did you pay rent, for at least half of 2007, on property (including a mobile home that you owned on rented land) in California, which was your principal residence?**

**YES.** Go to question 4.

**NO.** Stop here. You do not qualify for this credit.

**4. Can you be claimed as a dependent by a parent, foster parent, legal guardian, or any other person in 2007?**

**NO.** Go to question 6.

**YES.** Go to question 5.

**5. For more than half the year in 2007, did you live in the home of the person who can claim you as a dependent?**

**NO.** Go to question 6.

**YES.** Stop here. You do not qualify for this credit.

**6. Was the property you rented exempt from property tax in 2007?**

You do not qualify for this credit if, for more than half of the year, you rented property that was exempt from property taxes. Exempt property includes most government-owned buildings, church-owned parsonages, college dormitories, and military barracks. However, if you or your landlord paid possessory interest taxes for the property you rented, then you may claim this credit.

**NO.** Go to question 7.

**YES.** Stop here. You do not qualify for this credit.

**7. Did you claim the homeowner's property tax exemption anytime during 2007?**

You do not qualify for this credit if you or your spouse/RDP received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse/RDP for the entire year and your spouse/RDP received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified.

**NO.** Go to question 8.

**YES.** Stop here. You do not qualify for this credit.

**8. Were you single in 2007?**

**YES.** Go to question 11.

**NO.** Go to question 9.

**9. Did your spouse/RDP claim the homeowner's property tax exemption anytime during 2007?**

You do not qualify for this credit if you or your spouse/RDP received a homeowner's property tax exemption at any time during the year. However, if you lived apart from your spouse/RDP for the entire year and your spouse/RDP received a homeowner's property tax exemption for a separate residence, then you may claim this credit if you are otherwise qualified.

**NO.** Go to question 11.

**YES.** Go to question 10.

**10. Did you and your spouse/RDP maintain separate residences for the entire year in 2007?**

**YES.** Go to question 11.

**NO.** Stop here. You do not qualify for this credit.

**11. If you are:**

- Single, enter \$60 below.
- Married/RDP filing jointly, head of household, or qualifying widow(er), enter \$120 below. Enter this figure on Form 540 2EZ, line 19.

\$ \_\_\_\_\_

Fill in the street address(es) and landlord information below for the residence(s) you rented in California during 2007, which qualified you for this credit.

Street Address

City, State, and ZIP Code

Dates Rented in 2007 (From \_\_\_\_\_ to \_\_\_\_\_)

a \_\_\_\_\_  
b \_\_\_\_\_

Enter the name, address, and telephone number of your landlord(s) or the person(s) to whom you paid rent for the residence(s) listed above.

Name

Street Address

City, State, ZIP Code, and Telephone Number

a \_\_\_\_\_  
b \_\_\_\_\_